

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:)
) Case No. 05bk15100
Oahu Sugar Company, LLC)
) Chapter 7
Debtor.) Honorable Timothy A. Barnes
)

**FINDINGS OF FACT AND CONCLUSIONS OF LAW IN SUPPORT OF ORDER
AWARDING TO PATRICK M. JONES, ATTORNEY FOR TRUSTEE, FOR
ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION AND
REIMBURSEMENT OF EXPENSES**

TOTAL FEES REQUESTED:	\$ 17,700.00	TOTAL COSTS REQUESTED:	\$ 674.30
TOTAL FEES REDUCED:	\$ 337.50	TOTAL COSTS REDUCED:	\$ 0.00
TOTAL FEES ALLOWED:	\$ 17,362.50	TOTAL COSTS ALLOWED:	\$ 674.30

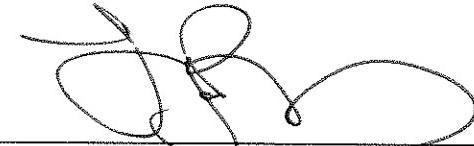
TOTAL FEES AND COSTS ALLOWED: \$ 18,036.80

Each time entries have been underlined to reflect disallowance in whole or in part. All of the time entries have been disallowed for the following reason.

(1) Improper Time Increments for Billing – TOTAL of disallowed amounts (10% of affected entries): \$

The court may impose a ten percent penalty for using improper time increments for billing. “Professional persons . . . cannot, in all honesty and reasonableness, charge their clients for increments in excess of one-tenth of an hour.” *In re Wildman*, 72 B.R. 700, 726 (Bankr. N.D. Ill. 1987) (Schmetterer, J.). This penalty will be imposed where time increments larger than one-tenth of an hour are being used. For example, applicants who bill time using quarter-hour increments risk the ten percent penalty. In this case, every appearance is billed at 1.0 hour exactly. Every appearance did not run the same time and thus it appears that counsel uses a “filler” 1.0 hour time increment for hearings, which is improper.

Dated: March 14, 2018



Timothy A. Barnes
United States Bankruptcy Judge

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Alex Moglia, as Trustee for Oahu Sugar Co., LLC

Dated: February 15, 2018

Date	Hours	Description
2/1/17	0.9	Responding to client's questions regarding the motion to modify stay (.4); revising motion consistent with client's concerns (.5).
<u>2/8/17</u>	<u>1</u>	<u>Attended status hearing and hearing on objection to USDOJ proof of claim.</u>
2/9/17	1	Drafting and filing notice of substitution of counsel.
2/9/17	0.5	Reviewing Lipe Lyons invoice.
2/9/17	2.7	Reviewing Lipe Lyons analysis of insurance coverage and summarizing for client.
2/20/17	0.4	Exchanging emails with Ed Murphy of Lipe Lyons re: FFIC duty to defend.
2/27/17	1	Call with client and Lipe Lyons re: insurance coverage analysis.
3/6/17	2	Drafting and filing fee applications for PMJ PLLC and Lipe Lyons.
3/10/17	0.3	Revising motion to lift stay consistent with Lipe Lyons comments.
3/11/17	0.3	Revising motion to lift stay consistent with Trustee's comments.
3/13/17	0.4	Revising motion to lift stay consistent with Trustee's additional comments.
3/22/17	1	Call with counsel to Kaanapali re: lift stay motion.
3/24/17	0.3	Call with counsel to Kaanapali and EPA re: lift stay motion.
3/27/17	0.5	Call with client regarding Kaanapali and EPA concerns regarding lift stay motion. <u>Attended hearing on fee applications and motion to modify stay.</u>
<u>3/28/17</u>	<u>1</u>	<u>Attended hearing on objection to claim and motion to modify stay.</u>
3/29/17	0.3	Call with counsel to D/C Distribution regarding motion to modify stay.
<u>5/16/17</u>	<u>1</u>	<u>Attended hearing on objection to claim and motion to modify stay.</u>
5/18/17	0.4	Emails with Patti Hurst of DOJ re: progress of settlement negotiations over FFIC policy coverage.
<u>7/11/17</u>	<u>1</u>	<u>Attended hearing on objection to claim and motion to modify stay.</u>
8/11/17	0.4	Drafting update on settlement negotiations and lift stay motion for client.
8/11/17	0.3	Call with counsel to D/C Distribution regarding motion to modify stay.
10/1/17	2.5	Drafting form of adversary complaint for declaration that the clean up costs and Trustee's expenses are covered under the FFIC policies.
10/4/17	0.4	Call with Mark Plevin re: bankruptcy estate's rights under the FFIC policies and the Trustee's intent to enforce those interest via adversary complaint.
10/8/17	1.2	Revising adversary complaint consistent with comments from client and Lipe Lyons.
10/8/17	0.5	Finalizing motion for relief from stay in the D/C Distribution case to permit Trustee to file the adversary complaint in the Oahu Sugar case.
10/11/17	0.8	Call with John Hahn of Kaanapali and Marc Rosenthal re: adversary complaint.
10/11/17	0.2	Email updating client and Lipe Lyons re: call with Hahn and Rosenthal.
10/12/17	0.4	Reviewing Mark Plevin's proposed briefing schedule on motion to lift stay, communicating same to client.
10/12/17	0.4	Discussions with client and Lipe Lyons re: FFIC's request of 45 days to respond to the motion to lift stay.
10/12/17	0.5	Gathering information on claims asserted against the estate and assets of the estate for purposes of proposing a global settlement.
10/12/17	1.6	Drafting letter to Kaanapali and DOJ re: proposed global settlement of Trustee's claims against the FFIC policies.
10/13/17	0.5	Responding to questions from client regarding terms of the proposed settlement, likelihood of approval, and whether claims will need to be withdrawn.
10/16/17	0.4	Emails with Lipe Lyons re: modifications to coverage analysis for inclusion with letter outlining possible settlement.
10/16/17	0.3	Final revisions to settlement proposal and circulating to parties.

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		<u>Attended status hearing and hearing on lift stay motion and objection to USDOJ proof of claim.</u>
<u>10/17/17</u>	<u>1</u>	
11/13/17	0.2	Drafting email to interested parties re: comments to proposed settlement terms. Call with counsel to Kaanapali re: proposed settlement, and extention of the deadline to object to the lift stay motion.
11/13/17	0.5	Reviewing proposed stipulation extending the deadline to object to the lift stay motion.
11/13/17	0.2	Gathering inforamtion from Trustee and counsel re: outstanding claims against the estate for purposes of proposing "all in" settlement terms at the request of Kaanapali.
11/13/17	0.8	Drafting email to Mark Plevin re: the Trustee's argument that FFIC is liable for the expense of litigating the estate's interest in the policies.
11/14/17	0.7	Drafting settlement agreement.
11/15/17	1.3	Drafting motion to authorize Trustee to enter into proposed settlement agreement and proposed order.
11/15/17	2	Call with Marc Rosenthal and John Hahn regarding Kaanapali's proposed settlement offer (.5); conveying terms to client (.2).
11/17/17	0.7	Exchanging emails with Marc Rosenthal re: Trustee's approval of the settlement proposal and continuance of the objection deadline re: lift stay motion.
11/20/17	0.4	Exchanging emails with Richard Ziegler and Marc Rosenthal re: response and reply dates for scheduling order on motion to approve settlement.
11/20/17	0.3	Reviewing Mark Plevin's request for certain clarifications re: Rule 9019 motion.
11/22/17	0.3	Call with Trustee and Lipe Lyons re: hearing on motion to autorize settlement.
11/28/17	0.5	<u>Attended hearing on Rule 9019 motion to authorize Trustee to enter into the Settlement Agreement.</u>
<u>11/29/17</u>	<u>1</u>	
12/4/17	1.3	Call with United States Trustee's office and client re: proposed settlement agreement. Email to counsel to Kaanapali re: United States Trustee's office's comments on the proposed settlement agreement.
12/5/17	0.4	Reviewing proposed stipulation extending deadline to object to the lift stay motion.
12/11/17	0.2	Reviewing Kaanapali's revisions to the proposed settlement agreement (.4); summarizing and forwarding to client (.1).
12/13/17	0.5	Exchanging emails with client and Lipe Lyons re: concerns with Kaanapali's proposed modifications to settlement agreement.
12/13/17	0.6	Reviewing and responding to Marc Rosenthal's comments to the proposed settlement agreement.
12/13/17	0.5	<u>Attended hearing on lift stay motion and status.</u>
<u>12/13/17</u>	<u>1</u>	Drafting email to Trustee explaining why we recommend accepting the proposed settlement agreement.
12/27/17	0.5	Email exchange with Richard Zeigler and Marc Rosenthal re: objection date for lift stay motion.
12/19/17	0.4	Revising Rule 9019 motion consistent with Kaanapali's proposed modifications to the settlement agreement.
12/22/17	0.5	Final revisions to Rule 9019 motion and proposed order; filing.
12/27/17	0.4	Reviewing propose extenstions to the scheduling order on lift stay motion.
1/4/17	0.3	<u>Attended hearing on lift stay motion, Rule 9019 motion, and status.</u>
<u>1/10/17</u>	<u>1</u>	<u>Attended hearing on lift stay motion, Rule 9019 motion, and status.</u>
<u>1/17/17</u>	<u>1</u>	Email exchange with counsel to Kaanapali and Trustee re: execution of Settlement Agreement and payment.
2/9/17	0.3	Preparing PMJ PLLC fee application and proposed order.
2/15/17	1	Preparing Lipe Lyons fee application and proposed order.
2/15/17	1	

Hours 47.2
Rate \$ 375.00

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Subtotal	\$	17,700.00
Expenses		
\$ - Mileage		
\$ - Postage		
\$ 215.00 Legal research		
\$ 31.50 Copying (\$.10 per page)		
\$ 65.80 Printing (\$.10 per page)		
\$ - Hotel		
\$ 362.00 Court fees		
\$ - Travel		
Subtotal	\$	674.30
Total	\$	18,374.30